

CHAPTER 1

INTRODUCTION

1.1 Research Object Overview

1.1.1 Organization Overview

Telkom Institute of Management (IM Telkom) has embarked on a journey since 1990 with the name of MBA-Bandung, then in 1994 changed its name to the School of Management Bandung (STMB), and in 2004 was again renamed the College of Business Management Telkom (STMB Telkom). Then it transformed into Telkom Institute of Management (IM Telkom) in 2008. The first Campus MBA-Bandung is Building H and I Telkom Training Center Complex at Jalan Hilir Gegerkalong 47 Bandung.

As the development of government regulation so that the College is not only organizes the graduate program, coupled with the desire of Directors PT.Telkom (at that time occupied by AA Nasution) in order to take part in increasing higher education of STMB, in 1997 STMB organizes undergraduate program or bachelor degree (S-1 / scholars). Courses that opened in STMB at the time was bachelor degree of Management Business of Telecommunications and Information Technology (MBTI). Public interest in these courses increased steadily along with the absorption of the industry on the alumni STMB high enough. On the occasion of accreditation by the government in 2002, the bachelor degree of MBTI STMB got an A as the accreditation.

To give a stronger identity in the field of scientific management of the telecommunications business, in 2004 STMB changed its name to the College of Telkom Business Management (Telkom STMB). The name change followed by increased capacity of the new admissions program of bachelor degree of MBTI, in order to meet market demand. In addition, the post-graduate program also adds a variant program with program Magister of Telecommunications Business (MM Biztel).

The stronger existence of STMB Telkom has prompted a transformation of STMB Telkom into Telkom Institute of Management (IM Telkom) in 2008. This transformation is characterized by the increase of courses organized by IM Telkom. New courses organized since 2008 is a program of study: Bachelor degree of Communications, Bachelor degree of Visual Communication Design, Bachelor degree of Accounting, Bachelor degree of Administration, and Associate degree of Marketing. This transformation is followed by the development of campus facilities, where initially only located in Telkom Training Center Complex on Gegerkalong Hilir street, then expanded to the campus on Setiabudi street. Campus activities at Setiabudi have been closed since the displacement into Campus BT-Plex in Dayeuhkolot.

In the process of merging into Telkom University in 2013, IM Telkom transformed into the Faculty of Economics and Business (FEB) or Telkom Economics and Business School (TEBS). In 2014, the Faculty of Economics and Business developed into two faculties; Faculty of Economics and Business (FEB) or the School of Economics and Business (SEB), and Faculty of Communication and Business (FKB) or the School of Communications and Business (SCB).

To achieve its vision and mission, Telkom University must fulfilled the mandate to uphold the core values that they believed in organizing Tridharma responsibly, independently, integrity high and maintaining the principles of Good Governance University (Good Governance University), with due respect to growth, harmony, equity and affordability.

With the new transformation, Tel-U is increasing and improving their strategic role in the field of education which able to develop science, technology, and art, and produce intellectuals, scientists, or professional cultured and creative, tolerant, brave to uphold the truth for national interest, and to promote science, technology and art by observing and applying the values of the humanities as well as the cultivation and sustainable empowerment of the Indonesia.

Source: <http://www.telkomuniversity.ac.id/> (accessed on October, 2016)

1.1.2 Organization's Vision and Mission

1.1.2.1 Vision

1. Being the top Faculty of Economic and Business Internationally in 2020 based on the creativity to the development of science and application of information and communication technologies with maximum contribution to the development of the nation's dignity of Indonesia.

1.1.2.2 Mission

1. Develop the faculty, staff, and students are recognized internationally that have the analytical ability to be leaders, managers, and researchers in the fields of management, accounting, and economics based on science and application of information and communication technology
2. Develop, utilize, and spread the knowledge based on the study and research in the fields of management, accounting and economy based on knowledge and application of information and communication technology
3. Being a place for practitioners and academics which can openly collaborate in innovation for the development of management science, accounting, and economics based on knowledge and application of information and communication technology.

1.1.2.3 Aim

1. Produce graduates in the fields of management, accounting, and the quality of economic and global perspective in accordance with the needs of the telecommunications industry, media, and creative
2. Produce leading-edge science in management, accounting, and economics for the needs of the telecommunications industry, media, and creative
3. Become a point of reference for management sciences, accounting, and economics, especially in the telecommunications industry, media, and creative for both academic and national and international

4. Being a well-established business school in Asia with the support of the telecommunications industry, media, and creative in Indonesia, Asia, and the world.

1.1.3 Organization's Logo



Figure 1.1 School of Economic and Business logo

1.1.3.1 Logo Shape

- 1 The basic shape Logo of School of Economic and Business Tel-U is involved a form of a solid shield representing the institutions and has a high fighting spirit, with the initial letter T from `Telkom` signifies characteristics / identity and pride to jointly develop themselves.
- 2 Basic shielding in the form of letter U of `University` as the cornerstone concept community education on high-level research.
- 3 The main forms at the top of the shield in the form of `open book` represent the openness of mind and imagination. Ready to develop innovative and guidelines of the new science globally.

1.1.3.2 Logo Colour

The “U” letter of the logo has 3 main colours, white, black, and grey which have each different meaning of the colours.

1. White, symbolizes clean governance and purely aims to improve the quality of humanitarian and education
2. Black, symbolizes the firmness of principle and self-confidence as a basis for developing university education goals.

3. Grey, symbolizes modern technology as the capital of Telkom Brand makes Telkom University as an institution that is closely related to the real technology applications and has the advantage to quickly absorb and utilize the potential of technology in all areas of education were collected.

1.1.4 Organization's Structure

Here is the Structure Organization of School of Economic and Business of Telkom University can be seen on Figure 1.2 below:

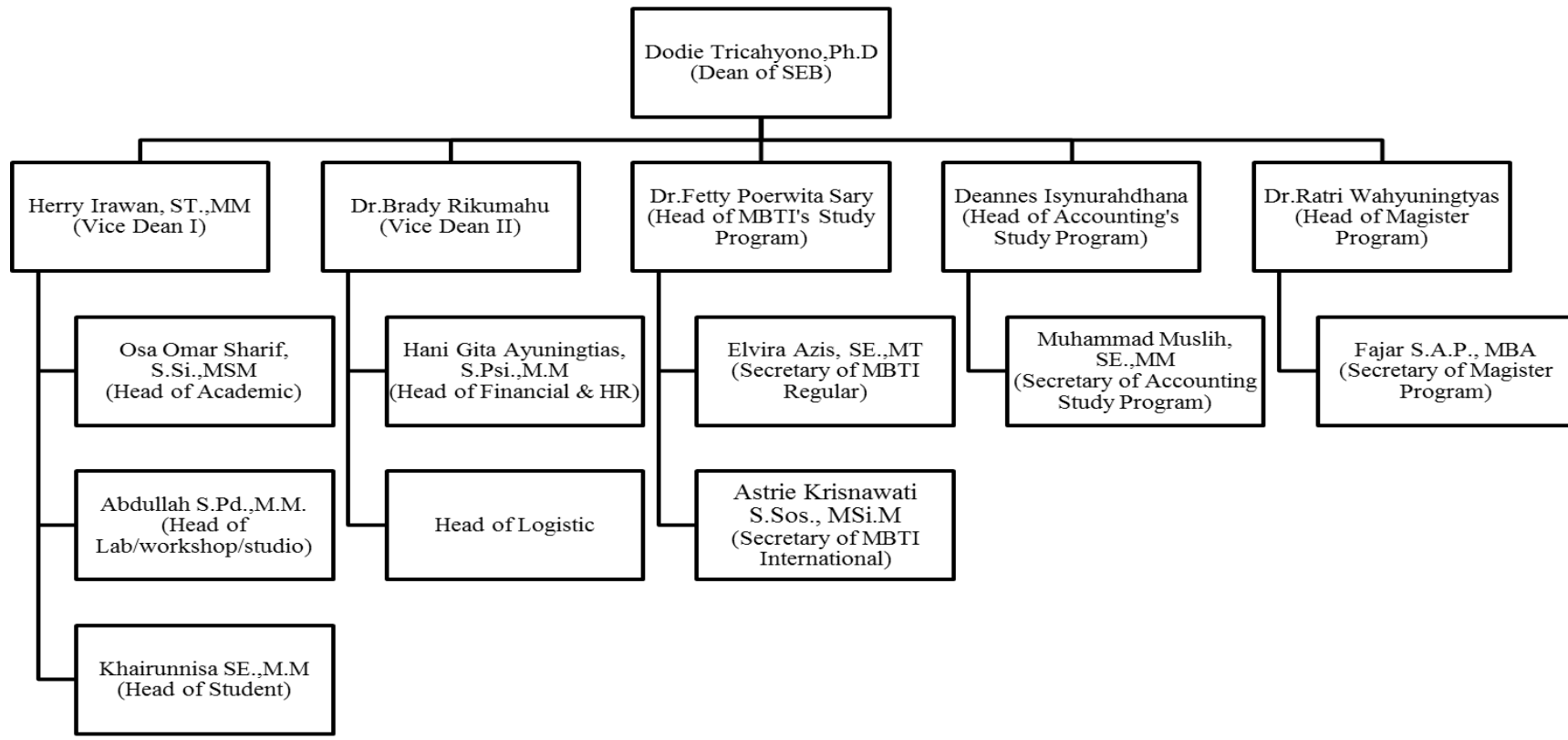


Figure 1.2 SEB Organization Structure

source: *seb.telkomuniversity.ac.id*

1.2 Background

Human resource is a major component of an organization and active participants in the planning and every activity organization. In order to achieve their strategic aims and keep their competitive advantage, the employees must perform at high levels (Dessler, 2011). The human resources have thoughts, feelings, desires, educational background, age, gender heterogeneous brought into an organization that does not like machines, money and materials, nature passive so fully controlled and regulated as desired within supporting the establishment of the Organization (Aulia, 2012).

Simamora (2004: 409) argued that the performance of employees is the degree of when the employees able to achieve their job's requirements. It is important for the organization to take a proactive role in identifying and cultivating their workforce who have capability and potential. According to Campbel et al. (in Aboazoum et al., 2015), the employee performance is one of the most important constructs in both organizational psychology and human resource management. Satisfied worker leads to extend more effort to job performance, then works harder and better. In order to do that highly satisfied work force is an absolutely necessity for achieving a high level of performance advancement of an organization.

Performance and job performance is a reflection of the results achieved by a person or group of people. According to Gomes (2003:135), the performance of employees is an expression such as output, efficiency and effectiveness is often associated with productivity.

Based on the Decree of the Director General of Higher Education Kemendikbud No. 309 / E / 0/2013 Telkom University inaugurated on 14 August 2013. Telkom University is a Private Higher Education organized by the Education Foundation of Telkom, the merging of four Colleges, consist of Institute of Technology Telkom (IT Telkom), Telkom Institute of Management

(IM Telkom), Polytechnic Telkom, and Telkom Art and Design College (Telkom STISI).

With the new transformation of Telkom University, it expected that as a private University, School of Economic and Business is ready to compete with other Faculties of Economic and Business in other educational institutions both public and private. In order to become a top and favourite faculty/major, it needs a good development and management of the human resources. The proper and systematic of talent management is a key factor that can make the excellent organization.

Successful organizations depend on the high performance of their employees to meet their objectives. Therefore, the performance of the employee is a main key in an organization. Here is a recap of the achievement of performance under the Dean Contract Management of SEB in 2014 and 2015:

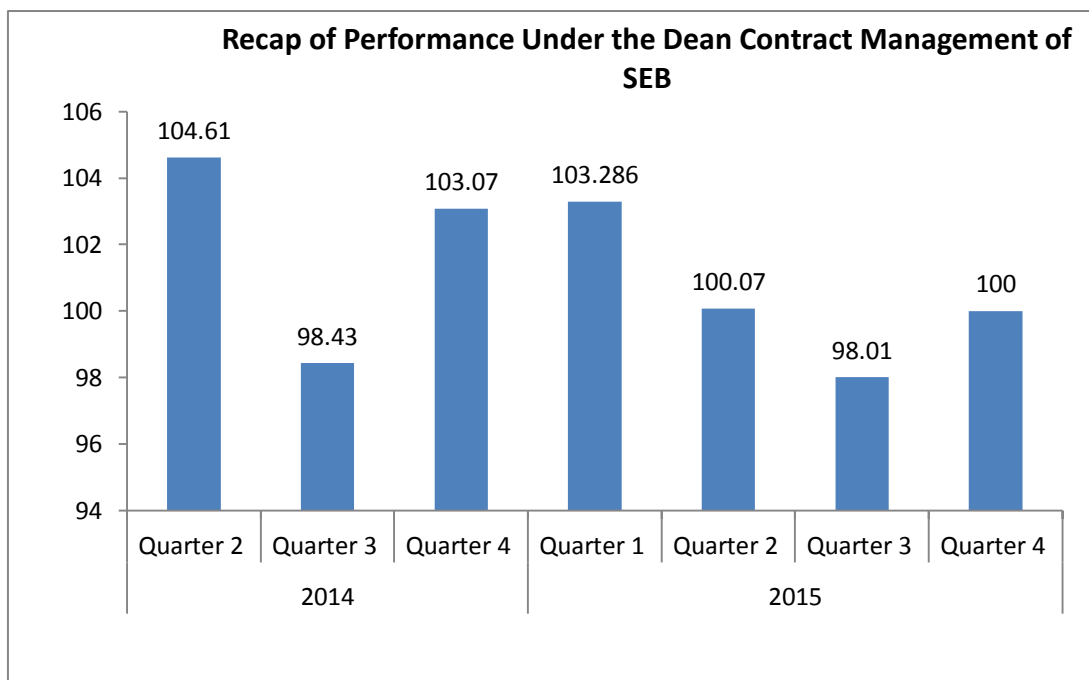


Figure 1.3 Achievement of Performance under Contract Management of Dean SEB Telkom University 2014 and 2015

source: Human Resource Development of Telkom University

As can be seen from figure 1.3 which taken out by the Human Resource Development of Telkom University. The author only get the data starting from the second quarter of 2014 since the resource said that they have not made the data yet because of the transition of IM Telkom to Telkom University at that time the author asked the data.

The chart above shows that in the second quarter of 2014 the performance score was 104.61, in the third quarter the score shows a marked decline with the score is 98.43, and in the fourth quarter it begins to rise up with the score 103.07. In the beginning of the first quarter of 2015 the data was slightly rise with score 103.286, in the second quarter of 2015 and continue to quarter 3 of 2015 the data shows a gradual decline with the score 100.07 and 98.01, and in the last quarter it shows a slightly rise with the score is 100.

The employee's job performance score above are derived from many indicators that represent by the assessment of the Tri Dharma University which consist of Research, Development, and Dedication. All those aspects are required for all employees in Telkom University.

According to the data that already explained before, it shows a fluctuation of employee's job performance, while it should be increase in each period or at least has a consistent achievement. In other words, meaning that the data realisation of employee's job performance has not stable over the period of time and there are some factors that have not well managed and met the target.

In order to get the maximum result of the employee's job performance, it needs a talent management to assist the right people with the right skill at the time. According to Rustono and Wahyuningtyas (2016), the challenge that the management deal nowadays is a talent war which every organizations are compete to get the best talents. Since there are many factors that represent the employee's job performance in School of Economic and Business according to the Tri Dharma University and in order to get a better performance of the employee, by having a good talent management is important to perform a high level of the employee's performance.

According to Wahyuningtyas and Sule (2016) there are major component of talent management processes associated with three elements in the talent management system that is used in the previous research by Rustono and Wahyuningtyas (2016:20), in Telkom University, those elements are:

1. Attract the Talent: planning, recruitment, selection, orientation
2. Talent Development: performance assessment, development and learning needs analysis, development and learning implementation, talent review
3. Talent Retain: career planning, succession planning, retaining talent

According to those elements the assessment of employees on the talent management in School of Economic and Business of Telkom University shows in the table 1.1:

Table 1.1: Talent Management Assessment in the School of Economic and Business of Telkom University

Dimensions	SEB (score)
Planning	57%
Recruitment	81%
Selection	79%
Orientation	66%
Performance Assessment	64%
Development and learning needs analysis	61%
Development and learning implementation	63%
Talent review	65%
Career Planning	67%
Succession Planning	67%
Retaining Talent	66%
Total Average	67%

source: Rustono and Wahyuningtyas (2016)

As shown in table 1.1, the total average score of Talent management assessment in School Economic and Business is 67 %. Those numbers in the table are driven by some dimensions that involve in talent management process as mentioned previously. Based on table 1.1 above, among of eleven dimensions there are only 2 dimensions, recruitment and selection that have a good score or in other words only those 2 variables considered as effectively implemented. Overall, the talented employees in School of Economic and Business of Telkom University revealed that the talent management process is not effective and still needs many improvements inside of it.

One benefit of implementing the effective talent management is it could increase the employee's commitment to achieve a good performance. Study found that talent management has been influence the performance of employees in an organization. Considerable studies have concentrated on the relationship between talent management and improved performance (Sheehan, 2012). When an organization gets to know who its high potential is, it becomes easier to invest in their professional development.

Accordance with one process in talent management in term of retaining talent which fulfil the employee's satisfaction and encourage the employee's pride is important. One way to retain employees is to pay attention on job satisfaction.

In order to determine job satisfaction of employees in each faculty, Telkom University has a Dean Contract Management (KM) of the Human Resource in each faculty. It is used by Human Resource Department to know about the level of job satisfaction of the employees. Here is the data employee satisfaction at Telkom University under the Dean Contract Management 2015 shows on table 1.2:

Table 1.2 Employee's job satisfaction

Faculty / School	Target	Realisation
School of Economic and Business (SEB)	79	73

source: Data Planning and Human Resources Development Telkom University 2015 (Helmina AF on 2016)

The table shown that in School of Economic and Business (SEB) the realisation of job satisfaction of the employee has not been achieved because the realisation is still below the target, with the number of realisation is 73, and the target is 79. The indicator that cover the result of job satisfaction assessment itself are consist of work itself, opportunity and career development, competency development, and occupational of health and safety. Based on the table 1.2 above, it described that the current conditions or the realisation are considered that the factors in job satisfaction are not optimal.

Researches in the past have determined a number of elements that can affect job performance. According to Luthans (2011:142) there are number of factors that influence the job satisfaction which consist of work itself, pay, promotions, supervision, and co-worker. The employees who feel they are being treated very well and paid equitably, they are likely to have a positive attitude toward the job, which means they will be job-satisfied. The studies found that there is a strong connection between being satisfied at their job and their performance (Gu and Chi, 2009).

Based on the description of the background above, the author is interested to analyse and take the topic with the title **“The Impact of Talent Management and Employee’s Job Satisfaction towards Job Performance in School of Economic and Business of Telkom University”**.

1.3 Problem Statement

Examining job performance as a concept can be done in a number of ways including the ability of an employee to achieve their targets and organizational standards (Mathis and Jackson, 2001).

With the new transformation of Telkom University, School of Economic and Business is ready to compete and achieve the goals. Regarding of it, School of Economic and Business needs to get a high level performance of the employees inside of it which derived from many factors. Based on the data that already explained, the employee's job performance in School of Economic and Business of Telkom University shows a fluctuation over the period of time, while it should be increase or at least has a consistent achievement in each period, meaning that there are aspects that have not well managed and met the target.

The data revealed that talent management score assessment in the School of Economic and Business is 67 % which considered as a fair score and among eleven dimension that include in the assessment, there are only 2 dimensions that have a good score, means there are many elements in the management that should be improved and the job satisfaction realisation is still below the target with the score of realisation is 73, while the target score is 79. The experts initiated that with talented and well managed work force, everything is possible and there is impact of effective talent management on employee core competencies (Wuim-Pam, 2014). Increase in employee's satisfaction leads to large value and benefits for organizations and their employees. There is also a strong connection between being satisfied at their job and their performance (Gu and Chi, 2009). Therefore, in this research, the author wants to focus on the Talent management and Employee's Job Satisfaction in School of Economic and Business which according to some previous studies, those 2 aspects are having relationship to the employee's job performance.

1.4 Research Questions

Based on the description above, therefore, the research questions for this topic are:

1. How is the talent management in School of Economic and Business of Telkom University?
2. How is the employee's job satisfaction in School of Economic and Business of Telkom University?
3. How is the employee's job performance in School of Economic and Business of Telkom University?
4. How is the influence of talent management towards employee's job performance of School of Economic and Business of Telkom University?
5. How is the influence of job satisfaction towards employee's job performance of School of Economic and Business of Telkom University?
6. How much is the influence of talent management and employees' job satisfaction towards employee's job performance of School of Economic and Business of Telkom University simultaneously?

1.5 Research Objectives

In this research, the author aimed to enhance our ability to understand and enlighten about the impact of talent management and employee's job satisfaction on the employee performance in an organization. Thus, the objectives of this research are:

1. To analyse the talent management in School of Economic and Business of Telkom University
2. To analyse the job satisfaction in School of Economic and Business of Telkom University
3. To analyse the job performance in School of Economic and Business of Telkom University

4. To determine how much is the influence of talent management towards job performance
5. To determine how much is the influence of job satisfaction towards job performance
6. To determine how much is the influence of talent management and job satisfaction towards job performance

1.6 Significance of the study

1.6.1 Theoretical Aspects

1. Author

This paper is a requirement in achieving Bachelor in Management of International ICT Business in Telkom University

2. Educational Institution

This research will give the understanding for students to understand about the impact of talent management and employee's job satisfaction towards job performance

3. Researcher

The researcher can also get a benefit from this paper on how understanding the organization. In the future they could make a deeper and better analysis of this paper and generates this to everyone who needs it.

1.6.2 Practical Aspects

1. Organization/Institution

The result of this study is expected as the input and in order to develop the quality of human resource and improve the job performance reference for School of Economic and Business of Telkom University

2. Author

The research also expected to increase the author's the way of thinking and applying the theory that had been gained during the study in order to analyse the facts, symptoms and events scientifically and objectively.

1.7 The Scope of Research

The location of this research is in Telkom University which located on Jl. Sukabiru, Sukapura, Dayeuhkolot, Bandung, Jawa Barat 40257. The object of this reserach is only focus on analysing the impact of talent management and employee's job satisfaction towards job performance in the School of Economic and Business of Telkom University. The scope of the research is limited only for the employee of the School of Economic and Business of Telkom University.

1.8 Writing Systematic

1. CHAPTER I INTRODUCTION: This chapter pictures the background of the issue, problem identification, objective and benefit of the research, and also paper structure.
2. CHAPTER II LITERATURE REVIEW: This chapter describes theoretical basis that are related to the research to support the problem solving process.
3. CHAPTER III RESEARCH METHODOLOGY: This chapter explains the research methodology approach, which is used in this paper, operational variable, data collection method, population and sampling, and also data analysis.
4. CHAPTER IV RESEARCH ANALYSIS AND RESULT: This chapter analyse the data of employees' satisfaction, and explains the result, which is to know the level, the relationship of employees' satisfaction and job performance, and the influence of the dimension on employee job performances.

5. CHAPTER V CONCLUSION: This chapter explains the conclusion of the research, input for companies and also advice for upcoming researchers